

Resolution No.:	<u>15-904</u>
Introduced:	<u>February 1, 2005</u>
Adopted:	<u>February 15, 2005</u>

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Councilmembers Knapp, Praisner, Subin, Floreen and Andrews

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**SUBJECT:** Establishing Annual Budget Priorities and Performance Measures

**Background**

1. The Montgomery County Charter vests final budget authority in the County Council. Section 305 of the Charter provides that “the Council may add to, delete from, increase or decrease any appropriation item in the operating or capital budget.”
2. The majority of funding that is appropriated by the Council comes from the taxpayers of Montgomery County, and in exercising this budget authority, the Council is accountable to County taxpayers and must ensure that funding priorities are clear and that the programs it funds are cost-effective.
3. In order to set funding priorities and make budget decisions, the Council must have clear information regarding agency, program, and project cost-effectiveness, including documentation of outcomes.
4. County agencies provide extensive budget data, but they have not been explicitly asked by the Council to identify their on-going budget priorities or to provide clear information on the cost-effectiveness of programs or initiatives. Some County agencies have done extensive work on strategic plans and performance measures, but these measures are generally not linked to decisions on resource allocation.
5. Some local legislative bodies have tried to create a framework for budget deliberations. For example, a decade ago the City Council of Charlotte, North Carolina defined five “focus areas” or “strategic themes” and has adhered to them, making changes in individual initiatives as needed to respond to new challenges or demands.
6. In the past the Montgomery County Council itself has identified overriding priorities – for example, the multi-year Children First initiative that began in 1999.

**Action**

The County Council for Montgomery County, Maryland approves the following resolution:

The Council intends to establish a stronger framework for its budget deliberations in close consultation with County agencies and the community.

As a key element of this framework, the Council intends to set annual budget priorities. The Council will set these priorities by October 1 each year for the following fiscal year.

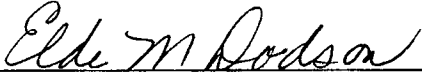
To this end, the Council requests County agencies, as they develop their recommended budgets each year, to:

- identify their own budget priorities;
- provide clear information on the cost-effectiveness of their programs;
- provide performance measures on individual programs that enable the Council and the community to assess the results achieved with past funding;
- identify the methodology and information used to review program effectiveness; and
- link decisions on future resource requests and allocations to these performance measures.

The Council intends to use the information outlined above in its budget deliberations and in setting annual priorities beginning with FY07.

For the FY06 budget process, the Council requests that County agencies provide as much information as possible in the five aforementioned areas for review at Council Committee worksessions scheduled during April and May 2005.

This is a correct copy of Council action.

  
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Elda M. Dodson, CMC  
Acting Clerk of the Council